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**Formal Complaint to the Washington State Public Disclosure Commission  
Relating to an Elected Official or Candidate for Public Office**

JUN 27 2007

Public Disclosure  
Commission

Name of Official or Candidate: Dino Rossi, Forward Washington

Address of Official or Candidate: 14725 NE 20<sup>th</sup> St. #D-41

Official's or Candidate's Bellevue WA 98007  
City State Zip Code

Official's or Candidate's Telephone: 425-644-7753  
(Include Area Code)

Official's or Candidate's E-Mail Address: info@forwardwashington.org  
(If known)

Your signature: 

Your printed name: DWIGHT FELZ

Street address: 615 2<sup>ND</sup> AVE

City, state and zip code: SEATTLE WA 98104

Telephone number: 206 583 0664

E-Mail Address: (Optional) Dwight@WA-DEMOCRATS.ORG

Date Signed: 6/25/07

Place Signed (City and County): SEATTLE KING  
City County

**Complaint: (Attach Complaint and Certification)**

**Certification for a  
Complaint to the Washington State Public Disclosure Commission Relating to an  
Elected Official or Candidate for Public Office  
(Notary Not Required)**

I certify (or declare) under penalty of perjury under the laws of the State of Washington that the facts set forth in this attached complaint are true and correct.

Your signature: \_\_\_\_\_

Your printed name: \_\_\_\_\_

Street address: \_\_\_\_\_

City, state and zip code: \_\_\_\_\_

Telephone number: \_\_\_\_\_

E-Mail Address: (Optional) \_\_\_\_\_

Date Signed: \_\_\_\_\_

Place Signed (City and County): \_\_\_\_\_

City

County

\*RCW 9A.72.040 provides that: "(1) A person is guilty of false swearing if he makes a false statement, which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."

**COMPLAINT ATTACHED**

**BEFORE THE WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION**

NO.

COMPLAINT RELATING TO  
GUBERNATORIAL CANDIDATE  
DINO ROSSI'S "FORWARD  
WASHINGTON FOUNDATION"

**I. INTRODUCTION**

1. Dino Rossi is a declared candidate for Washington State's 2008 election for the office of Governor. As such, Mr. Rossi's campaign activities are governed by the state's open government and fair campaign practices statute, RCW 42.17. This complaint alleges that Mr. Rossi has deliberately evaded statutory contribution limits and disclosure requirements by funneling financial support to his gubernatorial campaign through a non-profit entity, the Forward Washington Foundation ("Forward Washington").

2. Although it purports to be a non-partisan "think tank," Forward Washington is nothing more than Mr. Rossi's unofficial campaign committee. As discussed further below, Forward Washington's primary purpose and activity is like that of any campaign committee: to solicit and spend contributions in support of a declared candidate for public office. In devising the artifice of Forward Washington, however, Mr. Rossi improperly evades campaign finance rules applicable to other campaign committees. Because Mr. Rossi's ploy cynically operates to defeat the public's interest in fair elections and in complete disclosure of election campaign finances, it violates RCW 42.17.

**II. FACTS**

**A. Dino Rossi Becomes a Declared Candidate for Washington's 2008 Election for Governor**

3. After Christine Gregoire was declared the winner over Mr. Rossi in the 2004 governor's election, on December 13, 2004, Mr. Rossi formed a new campaign committee, Dino Rossi for

Governor 2008 ("Rossi For Governor"). Mr. Rossi transferred employees, debts, and assets from his previous campaign committee to the new committee. In establishing Rossi For Governor, Mr. Rossi became a declared candidate under Washington law. *See* RCW 42.17.020(9).

4. Rossi for Governor thereafter began soliciting contributions and making expenditures in support of Mr. Rossi's candidacy. The campaign committee also filed regular PDC reports for well over a year, until February 2006, when the committee abruptly ceased filing PDC reports altogether. That month Rossi for Governor reported cash and in-kind contributions totaling \$326,079.69. The Rossi campaign has not filed a PDC report since February 2006. Mr. Rossi's campaign, thus, has either (a) not raised or spent *any* reportable contributions for nearly one-and-a-half years; or (b) has raised and spent such funds but has failed to report them.

#### **B. "Rossi for Governor" Morphs Into "Forward Washington"**

5. Despite the lack of publicly reported campaign activity since February 2006, Mr. Rossi's campaign has not been in hiatus; rather, Mr. Rossi's campaign has simply morphed into a new form: Forward Washington. Just five days after Rossi For Governor filed its last PDC report to date, on February 7, 2006, Mr. Rossi filed articles of incorporation for Forward Washington. *See* Attachment 1 (Articles of Incorporation; 501(a) Application). Forward Washington describes itself as a "non-profit, non-partisan organization dedicated to increasing public awareness of issues affecting the future of Washington state, its citizens and its economy." *See* [www.ForwardWashington.org](http://www.ForwardWashington.org).

6. Mr. Rossi formed and staffed Forward Washington with former campaign operatives and supporters. These individuals included Mary Lane (former Policy and Communications Director for Dino Rossi 2004 and former Communications Director for Dino Rossi's 2004 Transition Team; Forward Washington's original agent and board member), Sarah Dorn (former campaign staff person for Dino Rossi for Governor 2004; Forward Washington's current agent and former executive director); Dan McDonald (former Budget Director for Dino Rossi's 2004 Transition Team; current Forward Washington board member) and; Lary Coppola (Building Industry Association of Washington State ("BIAW") State Director and major contributor to Dino Rossi for Governor 2004; current Forward Washington board member). *See* **Attachment 2**. Mr. Coppola's employer, the BIAW, has been an exceptionally strong supporter of Mr. Rossi's

gubernatorial election efforts. The BIAW contributed \$260,000 to Mr. Rossi's 2004 election revote effort, for example, and also provided additional in-kind contributions totaling \$378,000 in connection with the so-called "revote" effort and election contest litigation.

7. As president of Forward Washington, Mr. Rossi's role is functionally indistinguishable to that of a gubernatorial candidate. Mr. Rossi's role is, specifically, to "speak out and take positions on issues affecting state government. These will be issues that are or could be affected by the state legislature, Washington State Governor and/or regulators. . . ." *See* Attachment 1 (501(a) Application). The president and executive director are also responsible for meeting regularly with community leaders to discuss state policies. *Id.* Similarly, the core activities of Forward Washington are akin to those of a campaign for public office. Core activities include, specifically, "speeches, statements to the media, forums, seminars and panel discussions, research into state government issues, . . . communications to state residents, [and] occasional paid media advertising". *Id.*

8. The organization pays Mr. Rossi and the executive director over \$100,000 a year. *Id.* This includes Mr. Rossi's "part-time" salary of \$75,000 a year. *Id.* Forward Washington receives financial support from individual and organizational contributions. *Id.* Rather than raising money for Rossi for Governor, Mr. Rossi now spends his time actively soliciting contributions for Forward Washington. In a recent solicitation, for example, candidate Rossi encourages prospective contributors to say, "Yes, Dino", and send in a contribution, reminding them that "[b]ecause we are a non-partisan and non-profit 501(c)4, there is *no limit* to the amount individuals or corporations can contribute." *See* Attachment 3 (Forward Washington solicitation from Dino Rossi) (emphasis added).

9. Unlike Rossi for Governor, Mr. Rossi, as president of Forward Washington, has been busier than ever in promoting his declared candidacy as governor. The *Tacoma News Tribune* reported, for example, that Mr. Rossi in a recent speech to Republican Party activists "came close . . . to challenging Gov. Chris Gregoire to a rematch." The article notes that Rossi has been "keeping himself in the public eye, going around the state giving speeches and signing copies of his book --- *generally acting like a candidate*." (Emphasis added.) Mr. Rossi is quoted as telling party activists, "I tell you what, if we did do this again, theoretically, we're going to need you and everyone you know. You and everyone you know." The article also quotes a Republican state

officeholder who praises how candidate Rossi has spent his time since his 2004 gubernatorial election defeat, saying, "[Rossi] did not stop, he did not disappear." *See* Attachment 4 (S. Cockerham, *Rossi Talks of New Try for Governor*, Tacoma News Tribune (May 20, 2007)).

**C. In Violating Washington's Campaign Finance Laws, Candidate Rossi Evades Critical Election Safeguards**

10. Mr. Rossi formed Forward Washington over one year after he became a declared gubernatorial candidate. Upon Forward Washington's formation, Mr. Rossi immediately stopped raising money for his campaign committee and began instead to solicit contributions for Forward Washington. Forward Washington pays Mr. Rossi and a staff person to travel the state, give speeches, and otherwise promote himself in a manner that is indistinguishable from a political campaign.

11. These circumstances demonstrate that Forward Washington's public policy-related mission is little more than a subterfuge that obscures the organization's primary purpose of supporting Mr. Rossi's candidacy for governor. If support of Mr. Rossi's candidacy represents even *one* of Forward Washington's purposes, which is undeniably the case, then Forward Washington qualifies as a political committee under state law. *See* Public Disclosure Commission Interpretation 07-02. Indeed, if the rule were otherwise, a vast loophole would be created in our State's public disclosure statute never before recognized, tolerated, or allowed.

12. Washington's campaign finance statute contains critical safeguards that protect the public's interest in fair and honest elections. These safeguards include:

- Contribution caps: Contributions from individuals (including from candidates themselves), corporations, PACs, state political parties and other entities may not exceed specified amounts within a particular election cycle. RCW 42.17.640
- Contribution timing restrictions: Contributions must generally be made within specified timelines. RCW 42.17.640. Last-minute contributions are restricted and/or subject to special disclosure requirements. RCW 42.17.105
- Out-of-state PAC contribution disclosures: Out-of-state PACs are subject to strict disclosure requirements regarding PAC contributors and expenditures. RCW

42.17.093

- Contribution and expenditure reports: Candidates and political committees must regularly report the contributions they receive and the expenditures they make. RCW 42.17.080, .090
- Public inspection of campaign books: Political committees must open their books to public inspection during specified periods. RCW 42.17.080
- Personal use of contributions: Candidates and other individuals may not convert contributions to their personal use except under specified circumstances. RCW 42.17.125
- PDC audits and field investigations: The Commission may conduct audits and field investigations to ensure compliance with campaign finance laws. RCW 42.17.365, .370(4).
- Access to the PDC: Citizens may file complaints with the Commission alleging violations of campaign finance laws. RCW 42.17.360(5)

13. Mr. Rossi's scheme enables him to skirt these safeguards and operates to frustrate the public interest at every turn:

- Contribution caps: Supporters of Mr. Rossi's candidacy, including past major contributors such as the Washington Republican Party and the BIAW, are currently free to contribute amounts of any size to Mr. Rossi through Forward Washington. BIAW contributed over a half million dollars to Mr. Rossi's post-election efforts alone in 2004.
- Contribution timing restrictions: Mr. Rossi and his supporters are not only free to contribute unlimited campaign sums through Forward Washington, but they may contribute without regard to election cycles and as close to the election as they wish. Nothing currently prevents Mr. Rossi or his supporters from making

massive last-minute contributions in order to secure the election.

- Out-of-state PAC contribution disclosures: Out-of-state PACs are currently free to funnel support to Mr. Rossi's campaign through Forward Washington without disclosing their identities, officers, contributors to the PAC, or the fact or amount of their expenditure on Mr. Rossi's behalf.
- Contribution and expenditure reports: Forward Washington is currently exempt from requirements to publicly disclose any contributions or expenditures they receive or make in support of Mr. Rossi's candidacy. The public accordingly lacks any way of knowing the full extent of contributions Mr. Rossi is receiving and/or an accounting of how Forward Washington is using those funds to support Mr. Rossi's candidacy.
- Public inspection of campaign books: Forward Washington is exempt from the requirement that it periodically make its books available for public inspection.
- PDC audits and field investigations: Forward Washington is not currently subject to periodic PDC audits or field investigations to evaluate and assure compliance with campaign finance rules.
- Access to PDC: Because it currently operates outside the statutory scheme, Forward Washington is not subject to citizen complaints.

14. Through the artifice of Forward Washington, Mr. Rossi seeks to avoid *all* of these statutory protections of our political system. The Commission cannot allow such a scheme to stand unchallenged. A decision not to act would leave a gaping loophole in the campaign finance statute and encourage candidates across the spectrum to engage in similar schemes to the detriment of the public policy that lies at the core of the Commission's mission with the 2008 election rapidly approaching, the Commission should take prompt investigative, and enforcement, action.



### III. Conclusion

15. Mr. Rossi's failure to register and report Forward Washington as a political committee supporting his candidacy for governor violates RCW 42.17. The Commission should therefore prohibit Mr. Rossi from using Forward Washington any longer to evade legal contribution limits and disclosure requirements. The Commission specifically should require Mr. Rossi and Forward Washington to disclose: (1) All reportable contributions received from any source since February 2006, and; (2) All reportable expenditures made since February 2006, including Forward Washington's payments to Mr. Rossi.

The Commission should, in addition, require Mr. Rossi and Forward Washington to: (1) return any contribution that exceeds the legal limits; (2) disclose all future contributions and expenditures as required by law, and (3) return any contributions received from the Washington State Republican Party, or count them toward the party's contribution limit for the 2008 election. Finally, consistent with its long-standing enforcement policy, the Commission should consider appropriate penalties.

Dated: June 25, 2007

A handwritten signature in black ink, appearing to read 'DP' or 'Pelz', written in a stylized, cursive manner.

Dwight Pelz, Chair

Washington State Democratic Party